

Volume 7 Germany under the Rule of National Socialism 1933–1945 Hitler's Confidential Notes on Autarky (August 1936)

Although the name of Hitler's party suggested socialist economic management, he did not advocate any particular economic doctrine in the traditional sense. However, the fundamental goal of his policy, namely a war of conquest in Eastern Europe, necessitated the organization of a so-called Wehrwirtschaft, i.e. the systematic orientation of the national economy towards an imminent military conflict even during peacetime. As long as German private industry continued to increase its efficiency and productivity and was available for general war preparations, Hitler had no intention of abolishing it. Despite considerable progress in these areas during the first years of the Nazi regime, however, many supply shortages could not be remedied. In the following secret memorandum of August 1936, Hitler explained the ideological and military necessity of achieving self-sufficiency in the German economy within four years. His statements became the basis of the so-called four-year plan, which began in October of the same year. The new economic management under Hermann Göring was aimed in particular at centralizing the use of labour, import restrictions, wage and price controls as well as the rationing and synthesizing of raw materials. Göring also systematized the exploitation and expropriation of the Jewish population.

The political situation.

Politics is the leadership and the course of the historical struggle for life of the peoples. The goal of these struggles is the assertion of existence. The idealistic worldview struggles also have their ultimate causes and receive their deepest impulses from popularly given life purposes and goals. However, religions and worldviews are always able to give such struggles a particular severity and therefore lend them a great historical urgency. They leave their mark on the content of centuries. It is then impossible for peoples and states living in the sphere of such ideological or religious conflicts to isolate themselves from or exclude themselves from the events. Christianity and the migration of peoples determined the historical content of centuries. Mohammedism shook both the Orient and the West for half a millennium. The Reformation affected the whole of Central Europe. It was not possible for individual states – whether through wisdom or deliberate apathy – to remain unaffected by these events. Since the outbreak of the French Revolution, the world has been drifting ever more rapidly into a new conflict, the most extreme solution of which is called Bolshevism, but the content and goal of which is only the elimination and replacement of the hitherto leading social classes of humanity by the internationally spread Judaism. No state will be able to evade or even keep away from this historical confrontation. Since Marxism, through its victory in Russia, has created one of the largest empires in the world as a starting point for its further operations, this question has become a threatening one. A democratic world torn apart by its own ideology is confronted by a united authoritarian will to attack based on ideology. The military means of power of this will to attack are increasing rapidly from year to year. Compare the assumptions of the military 10 or 15 years ago with the Red Army that has actually been created today in order to gauge the dangerous extent of this development. But consider the results of a further development in 10, 15 or 20 years' time to get an idea of the conditions that will then arise! Germany. As always, Germany will have to be regarded as the focal point of the Western world in the face of Bolshevik attacks. I do not see this as a pleasant mission, but as an unfortunate complication and burden on our national life due to our unfortunate situation in Europe. However, we cannot escape this fate. Our political situation results from the following: At present, Europe has only two states that can be regarded as steadfast in the face of Bolshevism: Germany and Italy. The other countries are either corroded by their democratic way of

life, infected by Marxism and thus themselves doomed to collapse in the foreseeable future, or ruled by authoritarian governments whose only strength is their military means of power, i.e. they are incapable of using this brute force to preserve the states externally because of the need to secure the existence of their leadership vis-à-vis their own peoples by means of the brute force of the executive. All these countries would be incapable of ever waging a promising war against Soviet Russia. Just as, apart from Germany and Italy, only Japan can be regarded as a power capable of withstanding the world danger. It is not the purpose of this memorandum to prophesy the time when the untenable situation in Europe will become an open crisis. I merely wish to set down in these lines my conviction that this crisis cannot and will not fail to materialize and that Germany has a duty to secure its own existence against this catastrophe by all means and to protect itself from it, and that a number of consequences arise from this compulsion which concern the most important tasks that have ever been set before our people. For a victory of Bolshevism over Germany would not lead to a Versailles Treaty, but to the final annihilation, even extermination, of the German people. The extent of such a catastrophe cannot be foreseen. Just as, after a Bolshevik collapse, the densely populated West of Europe (including Germany) would probably experience the most horrific national catastrophe that has afflicted mankind since the extinction of the ancient states. Compared to the necessity of averting this danger, all other considerations must be relegated to the background as completely irrelevant! Germany's defensive capability. Germany's defensive capability is based on a number of factors. First of all, I would like to emphasize the intrinsic value of the German people. The German people, politically well led, ideologically stable and militarily well-organized, is certainly the most valuable resistance factor the world has today. Political leadership is assured by the National Socialist Party, and ideological unity since the victory of National Socialism has been achieved to a degree never before attained. It must be deepened and strengthened more and more on the basis of this view. This is the goal of the National Socialist education of our people. The military evaluation is to be carried out by the new army. The scale and speed of the military development of our forces cannot be chosen large and fast enough! It is a capital mistake to believe that there could be any negotiation on these points or that they could be weighed against other necessities of life. As much as the entire life picture of a nation should be a balanced one, there are times when one-sided shifts must be made to the detriment of other, less vital tasks. If we do not succeed in the shortest possible time in developing the German Wehrmacht into the first army in the world in terms of training, formation, equipment and, above all, spiritual education, Germany will be lost! The principle applies here that what has been neglected in months of peace cannot be made up for in centuries. All other wishes must therefore be unconditionally subordinated to this task. For this task is life and the preservation of life, and all other desires – no matter how understandable they may be in other times – are irrelevant or even life-threatening in comparison and must therefore be rejected. One day, posterity will not ask us what methods or current views, opinions etc. we used to save the nation, but whether we did it. And it will be no excuse for our downfall if we then want to point to the tried and tested measures that unfortunately caused our downfall. The economic situation in Germany. Just as the political movement in our nation has only one goal, to enable the assertion of our nation and empire, i.e. to ensure all spiritual and other prerequisites for the self-assertion of our nation, the economy also has only this one purpose. The people do not live for the economy or for the economic leaders, economic or financial theories, but finance and the economy, the economic leaders and all theories have to serve exclusively this struggle for self-assertion of our people. But the economic situation of Germany, characterized in the briefest outline, is as follows: 1. we are overpopulated and cannot feed ourselves on our own resources. 2. if our nation has 6 or 7 million unemployed, the food situation will become more favorable due to the non-existent purchasing power of these people. Of course, it makes a difference whether 6 million people have 40 marks a month to spend or 100 marks. It should not be overlooked that we are talking here about a third

of the working population, i.e. the entire population: As a result of National Socialist economic policy, around 20 million people received an increase in their previous standard of living from an average of at most 50 marks a month to at least 100–120 marks. This meant an increased and understandable run on the food market. 3. however, if this increase in work is not carried out, a high percentage of the people will gradually suffer from malnutrition as a valuable factor in our national body. Despite the difficult food situation, it is therefore the top priority of our economic policy to ensure that the prerequisite for normal consumption is created by integrating all Germans into the economic process. (4) Insofar as this consumption extends to general consumer goods, it can be satisfied to a large extent by increasing production. In so far as this consumption is directed to the food market, it cannot be satisfied by the internal German economy. This is because numerous production levels can be increased without further ado. The result of our agricultural production can no longer experience a significant increase. It is also impossible for us to produce or otherwise replace individual raw materials that we lack in Germany by artificial means. (5) However, it is completely irrelevant to state this fact again and again, i.e. to state that we lack food or raw materials, but it is crucial to take those measures that can provide a definitive solution for the future and temporary relief for the transition. 6 The final solution lies in an expansion of the living space or the raw material and food base of our people. It is the task of the political leadership to solve this question one day. 7) Temporary relief can only be found within the framework of our current economy. And the following should be noted: (a) Since the German people will be increasingly dependent on imports for its food, but will also have to obtain certain raw materials at least in part from abroad under all circumstances, every effort must be made to make these imports possible. (b) Increasing its own exports is theoretically possible, but in practice hardly likely. Germany does not export to a politically or economically vacuum, but to areas that are the subject of unprecedented controversy. Measured against the general international economic downturn, our exports have not only fallen no more, but less than those of other nations and states. However, since food imports on the whole do not tolerate any significant reduction, but rather increase, a balance must be found by other means. (c) It is impossible, however, to use certain raw material foreign exchange for the import of foodstuffs unless the rest of the German economy is to be dealt a severe, perhaps even devastating blow. Above all, however, it is quite impossible to do this at the expense of national rearmament. I must here strongly oppose the view that by restricting national rearmament, i.e. the production of arms and munitions, it would be possible to bring about an "enrichment" of raw materials which would then benefit Germany in the event of war. Such a view is based on a complete misunderstanding – to put it bluntly – of the tasks and military requirements facing us. For even a successful saving of raw materials by restricting the production of ammunition, for example, only means that we stockpile these raw materials in peacetime in order to have them processed only in the event of war, i.e. we deprive the most critical months of ammunition and give raw copper, lead or perhaps iron instead. In this case, however, it would still be better for the nation to go without a kg. of copper, but with filled ammunition depots, than with empty depots but so-called "enriched" raw material stocks. The war makes it possible to mobilize even the last metal reserves. After all, this was not an economic problem, but exclusively a question of will. And the National Socialist state leadership would have the will and also the decisiveness and toughness to solve these problems in the event of war. But it is much more important to prepare for war in peace! In addition, the following should be noted: There is no provision of raw materials in the event of war, just as there is no provision of foreign currency. Today, people sometimes try to portray things as if Germany had gone to war in 1914 with well-prepared quantities of raw materials. This is a lie. It is not possible for any state to prepare the raw materials for a war in advance if that war lasts longer than, say, a year. But if a nation really is able to stockpile these raw materials for a year, then its political, economic and military leadership deserves to be hanged. After all, it is putting the available copper and iron in

readiness for warfare instead of spinning its shells. But Germany went into the world war without any stockpiling. The apparent peacetime stocks available in Germany at the time were amply compensated for and devalued by the miserable wartime stocks of ammunition. Incidentally, the quantities of raw materials needed for a war are so large that there has never been a real long-term stockpiling in world history! But as far as stockpiling through the accumulation of foreign currency is concerned, it is quite clear that

1. war is capable of devaluing foreign exchange at any time, provided it does not appear as gold, and
2. that the conversion even of gold into raw materials in war has not the slightest guarantee of realization. During the world war, Germany still held very large foreign exchange balances in many countries. But it has not been possible for our clever economic politicians to bring fuel, rubber, copper and tin to Germany in any sufficient quantity. To claim otherwise is ridiculous nonsense. For this reason, however, and for the reason of securing the food supply of our people, the following task is imperative: it is not enough to merely draw up raw material or foreign exchange balances from time to time or to speak of preparing the war economy in peacetime, but it is necessary to secure the means for peacetime food supply and, above all, for warfare, which can be secured by human energy and energy. And I therefore set out the following program for a final solution to our vital needs:

I. Similar to the military and political rearmament and mobilization of our people, an economic rearmament must also take place, at the same speed, with the same determination and, if necessary, with the same ruthlessness. The interests of individual masters must no longer play a role in the future. There is only one interest, and that is the interest of the nation and a single view, namely that Germany must be brought into a position of self-preservation, both politically and economically. II. To this end, foreign exchange must be saved in all areas in which German production can achieve its own satisfaction, in order to divert it to those needs that can only be met by imports under all circumstances.

III. With this in mind, German fuel production must now be driven forward at the fastest possible pace and brought to a complete conclusion within 18 months. This task must be approached and carried out with the same determination as the waging of war, for the coming warfare depends on its solution and not on the stockpiling of gasoline. IV. The mass production of synthetic rubber must also be organized and ensured immediately. The assertion that the procedures have perhaps not yet been fully clarified and similar excuses must be put to rest from now on. It is not a question of whether we want to wait any longer, otherwise time will be lost and the hour of danger will take us all by surprise. Above all, it is not the job of state economic institutions to worry about production methods. This is none of the Ministry of Economic Affairs' business. Either we have a private sector today, in which case it is its job to worry about production methods, or we believe that clarifying production methods is the job of the state, in which case we no longer need a private sector.

V. The question of the cost price of these raw materials is also completely irrelevant, because it is still better if we produce more expensive tires in Germany and can drive them than if we sell [sic] theoretically cheap tires for which the Ministry of Economics cannot approve foreign currency, which therefore cannot be produced due to a lack of raw materials and therefore cannot be driven at all. If we are forced to build up a domestic economy on a large scale in a self-sufficient sense – and we are – because lamenting and declaring our foreign exchange shortage will not solve the problem – then the price of raw materials will no longer play the decisive role.

It is still necessary to increase German iron production to an extraordinary degree. The objection that we are not in a position to produce a similar cheap pig iron from German iron ore with a 26% content as from 45% Swedish ore etc. is irrelevant, because the question is not what we would rather do, but only what we can do. But the objection that in that case the entire German blast furnaces would have to be rebuilt is also irrelevant, and above all it is none of the Ministry of Economics' business. The Ministry of Economics only has to set the national economic tasks, and the private sector has to fulfill them. But if the private sector believes it is incapable of doing so, then the National Socialist state will know how to solve this task on its own. Incidentally, Germany has not had any foreign iron ore for a thousand years. Even before the war, more German iron ore was processed than in the period of our worst decline. But if we still have the possibility of importing cheap ore, then that is a good thing. However, the existence of the national economy and above all the [sic] war effort must not depend on it.

It is also necessary to ban the burning of potatoes for alcohol immediately. The fuel must be obtained from the earth and not from potatoes. Instead, we have a duty to use any arable land that becomes available either for human or animal nutrition or for the cultivation of fiber.

It is also necessary to make our industrial fat supply independent of imports in the shortest possible time and to satisfy it from our own coal. This task has been solved chemically, and it simply cries out for fulfillment. The German economy, however, will grasp the new economic tasks or it will prove incapable of continuing to exist in these modern times, in which a Soviet state is setting up a gigantic plan. But then it will not be Germany that perishes, but at most a few economists. It is still necessary to increase other German ore production regardless of the cost and, in particular, to increase the production of light metals to the utmost in order to find a substitute for certain other metals.

Finally, it is also necessary for rearmament to make use now, if at all possible, of those materials which must and will take the place of precious metals in the event of war. It is better to think about and solve these problems in peace than to wait for the next war in order to carry out these economic investigations and methodical tests in the context of the wealth of tasks that have been set! To summarize briefly: I consider it necessary that we should now, with iron determination, achieve 100% self-sufficiency in all areas in which this is possible, and that this will not only make the national supply of these most important raw materials independent of foreign countries, but will also save the foreign currency that we need to import our food in peacetime. I would like to emphasize that I see in these tasks the only economic mobilization that exists, and not in a reduction of armaments factories in peacetime in order to save and prepare raw materials for war.

However, I also consider it necessary to carry out an immediate review of the foreign currency holdings of the German economy abroad. There is no doubt that our economy's foreign currency outstanding today is enormous. And there is also no doubt that this is partly due to the dastardly intention of holding certain reserves abroad that are inaccessible internally, just in case. I see this as a deliberate sabotage of national self-assertion or the defense of the Reich, and for this reason I consider it necessary to pass two laws before the Reichstag: 1. a law that provides for the death penalty for economic sabotage and 2. a law that makes all Jewry liable for all damage caused by individual examples of this criminality.

the German economy and thus the German people.

The fulfillment of these tasks in the form of a multi-year plan, of making our national economy independent of foreign countries, will also make it possible to demand sacrifices from the German people in the economic field and in the field of nutrition, because the people will then have the right to demand from their leadership, to whom they give blind recognition, that they also tackle the problems in this field through unprecedented and determined efforts and not just talk about them, that they solve them and not just register them! Almost 4 precious years have now passed. There is no doubt that we could already be completely independent of foreign countries in the field of fuel, rubber and, to some extent, iron ore supplies. Just as we currently produce 7 or 800,000 tons of petrol, we could produce 3 million tons. Just as we produce a few thousand tons of rubber today, we could produce 70 and 80,000 tons a year. Just as we went from producing 2½ million tons of iron ore to 7 million tons, we could process 20 or 25 million tons of German iron ore and, if necessary, even 30 million tons. We have now had enough time to determine in 4 years what we cannot do. It is now necessary to explain what we can do. I therefore set the following task: I. The German army must be operational in 4 years. II. The German economy must be ready for war in 4 years. Source: "Unsigned note" (August 1936).

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